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## **Recession looms, Hollywood booms**

By David Germain

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LAS VEGAS – Hollywood thrives when the economy dives.

It was true during the Depression, when Americans scraped together nickels and dimes for an escape to the movies. And as the prospect of another recession looms, studio executives say this time is no different.

As evidence mounts that people are tightening up on other expenses, movie attendance this year has been running ahead of 2007 numbers – welcome news at ShoWest, the annual convention of theater owners that opens here today.

Domestic box-office revenue went up in five of the past seven recession years dating to the 1960s, according to research compiled by the National Association of Theatre Owners.

While budget-conscious consumers in today's economic downturn may hold off buying that 50-inch plasma television, “it seems they can always pull together the money to go to the movies,” film historian and critic Leonard Maltin said. “They're not making a monthly commitment or a down payment. They're just shelling out the 10 bucks.”

Economists are still debating whether the U.S. economy is headed for recession – or already in one – but closely watched indicators have been bleak, with employers shedding jobs and consumers reeling from high gas prices and tight credit.

Meanwhile, Hollywood is more than holding its own, with revenue running 4 percent ahead of last year's, according to box-office tracker Media By Numbers.

Factoring in higher admission prices, attendance was up 7 percent over last year as of a few weeks ago, before the arrival of a few box-office duds, including the Will Ferrell comedy “Semi-Pro.” Attendance has since fallen back to a gain of 0.5 percent.

Though virtually everyone gripes about the cost of snacks at concession stands, the average movie ticket price last year was \$6.88 – cheaper than sporting events, concerts or a night out bowling.

“Most people would believe that offers a very good value. It's certainly much cheaper than a psychiatrist,” said Dan Glickman, who heads the Motion Picture Association of America, Hollywood's top trade group. “To go into a darkened room where nobody can find you for two hours is great therapy, particularly when times are bad.”

Since the Depression of the 1930s, when a quarter or less could buy a full day's entertainment at a theater, movies have been a refuge for the cash-strapped – as a place to forget about everyday troubles and a way to stretch tight household budgets.

“We don't want to wish recession on anyone or hard times on anyone, but we certainly have done very well during recessions,” said John Fithian, president of the theater owners group, who planned to touch on Hollywood's recession-proof history in a speech at ShoWest's opening.

Amid America's longest and bleakest economic bust in the 1930s, movie attendance tumbled initially as investment money for films dried up. But in the heart of the Depression from the early to late 1930s, attendance shot up.

While detailed box-office figures were not released back then as they are today, as many as 4.6 billion movie tickets a year were sold in the 1930s – three times more than in 2002, the best year of modern times. And the U.S. population during the Depression was less than half of today's 300 million.

Granted, there was simply less to do then.

“What were your options? Radio, books and movies,” said Paul Dergarabedian, president of Media By Numbers. “You didn't have the iPod. You had your Victrola. We didn't have video games. We had, I don't know . . . tiddlywinks.”

In those days, projectors ran virtually nonstop as feature films were accompanied by cartoons, newsreels and short films. Much of the schedule was devoted to glossy musicals, slapstick and screwball comedies that took people's minds off the gloomy economy, from Marx brothers comedies such as “A Night at the Opera” to Fred Astaire and Ginger Rogers dancing cheek to cheek in “Top Hat.”

“When the economy gets a little bit sluggish, our business seems to do well or even pick up,” said Dan Fellman, head of distribution for Warner Bros., which is trotting out key celebrities at ShoWest such as George Lucas, Steve Carell and Christian Bale to plug its summer lineup, which includes “Star Wars: Clone Wars,” “Get Smart,” “Speed Racer” and the Batman sequel “The Dark Knight.”

Fellman, whose father worked in theaters starting in 1928, said movie houses have survived all new competition for people's entertainment time and money – from radio during the Depression, television in the 1950s and home video in the 1980s.

Television did take a calamitous toll on movie theaters, whose audiences steadily declined through the mid-1970s to less than a fourth of their numbers in the late 1940s. Attendance generally was flat into the early 1990s but has improved since then as theaters with better seating, sound and concessions became the standard.

Besides the possible looming recession, there are other factors drawing more people to the movies: Fans can buy tickets online so they can avoid turning up for sold-out shows. And recent hits such as “Hannah Montana & Miley Cyrus: Best of Both Worlds Concert” demonstrate the mass appeal of movies shown in the three-dimensional digital format.

But for all the technological improvements, the basic lure of movies is the same as it was in the Depression – the chance to get away. And that may be especially powerful in a time when economic woes are heavy on Americans' minds.

“It's escape from everything,” Maltin said. “It's a chance to, like all those song lyrics, 'forget your troubles, come on get happy.' ”